



Public Service Commission of Wisconsin

Burneatta Bridge, Chairperson
Robert M. Garvin, Commissioner
Mark Meyer, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

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Contact: Linda Barth
(608) 266-9600

PSC Grants Interim Fuel Rate Increase for WP&L

MADISON – Today the Public Service Commission of Wisconsin (PSC) granted an interim rate hike for Wisconsin Power and Light Company (WP&L) to reflect the increased cost of fuel.

The PSC approved an interim rate hike of \$26.4 million or about \$1.50 per month on the average residential bill. The new rate is not permanent, but set on an interim basis, pending a full audit of the rate request. After the audit, if the Commission decides a refund is in order, it would be subject to 12.0 percent interest.

Fuel rate cases are designed to provide flexibility to react to volatile fuel prices. In this case, the fuel costs were above the range set in a previous rate case. In two other separate cases today, the Commission opened a formal review that could result in refunds, triggered by lower than forecast fuel costs that fell below the preset range for both Madison Gas and Electric Company and Wisconsin Public Service Corporation.

The WP&L interim fuel rate decision today is the first step in a fuel rate case. First, the utility proves that the fuel costs have increased outside the predetermined range. Today, the Commission agreed that WP&L fuel costs exceeded the preset threshold of 3 percent and granted the interim rate increase.

Next, the PSC will conduct a full audit of the increased fuel costs to determine if the amount of the request is reasonable. Public hearings will also be held on the interim rates. If the Commission decides that the fuel rate increase or any portion of the fuel rate increase was excessive or unwarranted, the funds will be returned to ratepayers at 12.0 percent interest.

No public hearing date has been set at this time on WP&L's final fuel rate increase. The public hearing will be announced at a later date.

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